

S-E-C-R-E-T

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

19 July 1963

MEMORANDUM FOR THE DIRECTOR

SUBJECT: An Opportunity in Ecuador

SUMMARY

A. The political and social system which has hitherto prevailed in Ecuador has enabled a small oligarchy to dominate and exploit the bulk of the population. Ecuadorean "constitutionalism" has demonstrated its incapacity to effect desperately needed reforms. Preservation of the status quo is an invitation to Castro/Communist revolutionary activity.

B. The Military Junta which seized power on 11 July has declared its intention to effect basic reforms before restoring power to an elected civil government. Although its capacity to do so is not assured, it presents the only available opportunity to get the job done.

C. The Junta now enjoys broad political support. If and when reforms are actually implemented, political opposition is likely to grow and to take the form of demands for an immediate return to "constitutionalism." If that should be done before effective reform had been accomplished on an authoritarian basis, the present opportunity would be lost, to the ultimate advantage of the Castro/Communists.

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GROUP 1
Excluded from automatic
downgrading and
declassification

MORI/CDF

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1. The political and social system which has hitherto prevailed in Ecuador has enabled a small white oligarchy to dominate and exploit the great bulk of the population, composed of mestizos, Indians, and other colored people.* In practical effect, eligibility to political office has been limited to members of the oligarchy and elections have been merely contests for power and its perquisites within that group. All parties and politicians have paid lip service to social reform, but no significant reform legislation has been enacted. In addition to the obvious (though short-sighted) interest of the oligarchy in the preservation of the status quo, Ecuadorean politics have been characterized by such bitter factionalism and personal animosities that effective political collaboration in support of a constructive program is inconceivable under the constitutional system as it has existed hitherto.

2. The great disparity between the conspicuous consumption of the oligarchy and the condition of the under-fed and ill-housed masses has been an open invitation to revolutionary agitation. There have been active efforts to organize insurgency in Ecuador, with Cuban and other Communist support. So far, such efforts have not

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The population of Ecuador (about 4.5 million) is estimated to be 10 percent white, 40 percent mestizo, 40 percent Indian, 5 percent Negro, and 5 percent Asiatic and miscellaneous. Not every white man is an oligarch, of course.

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accomplished much, largely because of factionalism and incompetence among the would-be revolutionary leaders, but there can be no guarantee that an effective revolutionary leadership will not eventually emerge.

3. The Military Junta which ousted President Arosemena and seized power on 11 July has declared its intention to effect a thorough reconstruction of the country's outmoded political and social system before returning power to an elected civil government. It contends that it must assume this task, with such help as it can get from patriotic and competent civilians, because of the demonstrated unwillingness or inability of politicians elected under the former constitutional regime to get the job done. *longer?*

4. The Junta proposes to establish effective controls over subversive activity and public disorder, and to institute agrarian, fiscal, and administrative reforms by decree. It also proposes to convoke a panel of jurists to revise the constitution, and to submit the revised draft to a popularly elected constituent assembly. Initially, the Junta estimated that it would have to retain power for at least two years in order to accomplish its purposes. Under pressure for a commitment to restore "constitutionalism" at an earlier date, it now says that it intends to do so in about a year.

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In view of the difficulty of effecting the reforms envisaged, it is highly doubtful that they can be accomplished within so short a time.

5. It is not certain that the Junta itself has the sincerity, ability, and determination required to carry out such a formidable undertaking. Because of the rapid turnover in the high command of the armed forces under both President Velasco Ibarra and his successor, President Arosemena, three members of the Junta, the three former service chiefs, are not of outstanding character and competence.^{1/} The chief hope for effective leadership and action must rest upon the fourth member, Colonel Marcos Gandara Enriquez, 7 a man of apparently sincere purpose and real competence widely respected not only within the armed forces but also in political circles.^{2/} Gandara may be hampered and frustrated by personal ambition, jealousy, and intrigue, not only within the Junta, but also among senior retired officers who may think that they should head a military regime. On the other hand, such a development may be held in check by the general disposition of the officer corps to support Gandara.

^{1/}

They are Captain Ramon Castro Jijon (Navy), the presiding member by virtue of personal seniority; Colonel Luis Cabrera Sevilla (Army); and Lt. Colonel Guillermo Freile Posso (Air Force).

^{2/}

Colonel Gandara was head of the War Academy and the representative of the armed forces in the Ecuadorean Senate.

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6. At the outset, the Junta and its program have the support of most organized political elements in Ecuador. In particular, the Junta has the behind-the-scenes assistance of former President Galo Plaza, who has been helpful in recruiting competent reform-minded civilians for cabinet positions. Though a member of the oligarchy, Galo Plaza is sincerely committed to progressive reform. He has been frustrated by the fact that, despite this commitment, he was defeated by the demagogery of Velasco Ibarra in the 1960 presidential election.

7. The Junta is opposed by the various Communist and Fidelista elements, for obvious reasons, and does not have the support of some liberals and of the partisans of former President Velasco Ibarra. These liberals are genuinely concerned about the proliferation of military governments in Latin America, to the detriment of the principle of "constitutionalism"* -- as are the governments of Costa Rica, Venezuela, and the Dominican Republic. Velasco Ibarra

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Until the deposition of Velasco Ibarra in 1961, the government of Ecuador had been relatively stable. During the preceding 13 years, three presidents had completed their terms, an unprecedented record. They were Gallo Plaza (1948-1952), Velasco Ibarra (1952-1956), and Camilio Ponce (1956-1960).

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had expected to be elected President in 1964, for a fifth time,* and is concerned lest reform of the old political system militate against his prospects.

8. The members of the oligarchy who now support the Junta are chiefly pleased to be rid of the egregious President Arosemena. Some of them are sincerely desirous of effecting progressive reforms, but most will be concerned to protect as much as possible of their privileged position. If and when reform begins to affect their personal interests, as in the case of an actual implementation of more equitable taxation, oligarchic opposition to the Junta is likely to grow.

9. Any opposition to the Junta, be it liberal, Castro/Communist, Velasquista, or oligarchic, has a ready-made issue in the Junta's extra-constitutional character. As political opposition inevitably grows, the demand for a return to "constitutionalism" will grow. The old constitutional order, however, has demonstrated its incapacity to effect desperately needed reforms in Ecuador. Although there can be no guarantee that the Junta can do better, it

* Velasco Ibarra's appeal to the voters is highly demagogic, but he has accomplished nothing toward effective reform and his administrations have been chaotic. He has been deposed three times, most recently in 1961.

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does present an opportunity to institute effective reforms on an authoritarian basis. A return to "constitutionalism" before any substantial reforms had been thus accomplished would mean the loss of this opportunity and would probably work to the ultimate advantage of the Castro/Communists.

FOR THE BOARD OF NATIONAL ESTIMATES:



for

SHERMAN KENT
Chairman

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